TOP SECRET



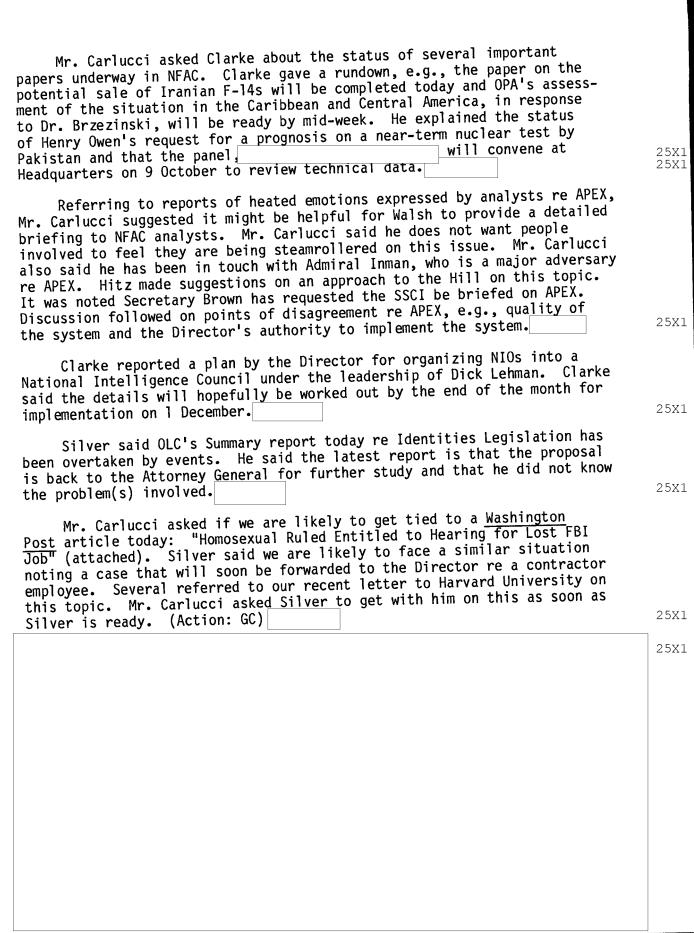
5 October 1979

MEMORANDUM FOR THE RECORD

The Director was attending a budget meeting at the White House; Mr. Carlucci chaired the meeting.	
(responses to name traces, cl FBI through the NFAC telex to	e aware of sensitive operational data earances, etc.) being forwarded from the erminal to the DDO. Stein said he is looking eansmitting this data direct to DDO and will
report is in line with a rece	"Soviet foreign aid is having a sy of life in the USSR." Stein noted this ent NFAC publication ("Consumer Frustration said the Soviet report is being studied
Lipton said he has been by 9 October; he said these sneeded assuming the Supplement of Comptroller will prepare a followed: gave an order scoring the same of controller as a strong ally on the only real hang-up. Hitz anxious to see if the Preside and intelligence in 1981.	asked by RMS to prepare 1981 budget revisions stem from the 1980 Supplemental—an option is ntal is approved, another if it isn't. Office a draft for coordination with DDs. Discussion verview of the current situation re 1980 and nat we along with Defense are probably locked of the 1981 budget package. He said Lloyd ne intelligence budget, that OMB is presenting opined that Congressional Committees are ent will request increased spending for Defense elatedly, Hitz commented briefly on the SSCI is reviewing the report in detail this rees and methods.
	rest by the press in the Director's address

Approved For Release 2007/10/29 : CIA-RDP84B00130R000600010200-7

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Hitz reported briefly that Representative Derwinski is helping us to move ahead with the Death Gratuities proposal, that Derwinski will sponsor a bill and has sent "Dear Colleague" letters to gather co-sponsors.	25X1 25X1

Attachment

WASHINGTON POST (5 Oct 79)

Homosexual Ruled Entitled to Hearing For Lost FBI Job

By Timothy S. Robinson... Washington Post Staff Writer

The U.S. Court of Appeals here ruled yesterday that the FBI acted improperly four years ago when it fired a homosexual mail sorter without giving him a hearing.

The ruling by a three-judge panel reinstates a suit brought by mail clerk Donald Ashton, who is challenging the right of the FBI to fire homosexuals working in its non-investigatory sections.

Ashton contends he was fired solely because of his sexual preference; the FBI contends he wasn't fired at all, but "voluntarily resigned" after being confronted with the bureau's knowledge of his homosexuality.

The court panel made it clear that it was not dealing with the issue of whether he was fired or resigned, nor with the issue of whether he could have been fired solely because of his homosexuality

It said, instead, that those issues should be confronted at a hearing such as the one Ashton should have received before he was dismissed.

received before he was dismissed.

The court, in an opinion written by
U.S. Circuit Judge Carl McGowan,

noted, however, that it felt Ashton "could properly be dismissed only for failing to perform his duties satisfactorily and without prejudice to the FBI's achievement of its law-enforcement mission."

The court noted also that the bureau "seems preoccupied with what might well be thought [to be] the private lives of its employees," because of other personnel regulations it has promulgated concerning, such items as "grooming and demeanor, outside employment or business ventures, payments of debts, and marriages, divorces, annulments, births and name changes."

Ashton had worked for the FBI from Oct. 3 1973, until Jan. 10, 1973, when he was summoned to the office of a superior. There, according to the undisputed record of the suit, he was told that the Navy had forwarded a report to the FBI that one of its employes had admitted engaging in homosexual acts with an FBI mail clerk he knew only as "Dom."

Ashton denied the specifics of the alleged homosexual encounter, but told his superiors he remembered the incident and had been a homosexual for the previous three years. He added, however, that no one at the FBI knew about it.

FBI knew about it.

What happened in conversations over the next hour or so is in dispute, but both sides agree that Ashtonsigned a hand-written resignation letter, effective immediately.

A lower court judge dismissed Ashton's suit because he said Ashton had not shown he had any "property interest" in the job and therefore he was not due a hearing.

not due a hearing.

Although the FBI argued to the appellate court that it had a solid policy against allowing known homosexuals to work for the bureau, the court said yesterday that FBI director William Webster recently indicated that might not always be the case.

In addition, the court stated, there is no written policy within the FBI that says homosexuality alone is cause for automatic dismissal from a bureau

Even if the bureau had such a policy, the court continued, it "stands in sharp contrast" to policies in other federal agencies and the military.

McGowan, joined by U.S. Circuit Judges Harold H. Leventhal and J. Skelly Wright, said the FBI handbook distributed to Ashton and other employes said they "may assume your position is secure, if you continue to do satisfactory work."

That, according to the appellate judges, gave Ashton a "property right" to his job and made him eligible for a full hearing before he could be dismissed.